

0700 - Arkansas Department of Higher Education

Interim Progress Report for the reporting period July 1, 2003 - December 31, 2003

Section I. Agency Update and Assessment

1. Emerging Issues at the Federal (National) or State level affecting the agency.

ADHE has seen two federal programs end and a new one begin. The Teacher Quality Enhancement grant and the long running Eisenhower funds ceased in August and September of 2003, respectively. The No Child Left Behind grant funds began in July of 2003. Higher education's portion of the state grant is used for professional development of teachers. The impact of these events will be a reduction of the number of teachers participating in ADHE-sponsored professional development efforts. The uncertainty of the economy and the funding implications for state government as a result of the state's response to the Lakeview decision has complicated the planning and the implementation of the agency's budget.

2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.

The agency is preparing for the implementation of the State Teacher Assistance Resource (STAR) program, created by Act 1804 of 2003. The purpose of this program is to motivate students to earn teacher licensure in critical subject areas and/or to be willing to teach in geographical critical areas of Arkansas. Six (6) technical institutes were merged with higher education institutions, effective July 1, 2003. Four of these mergers were the result of the passage of Acts 359, 452, 678, and 830 of 2003. The implementation of the mergers has gone smoothly and the various programs that had been offered by the technical institutes are in the process of being reviewed by ADHE staff. Finally, Arkansas students attending specific out-of-state dental schools have received forgivable loans as a result of the passage of Act 1715 of 2003.

3. Discuss significant factors internal and external to the agency affecting agency performance.

The changes in the availability of the scholarship programs mentioned in #2 will impact on the number of students receiving merit-based and needs-based scholarships (Program 2, Goal 1, Objectives 1, 2). Uncertainty about funding for the colleges and universities may impact upon the number of degree program proposals submitted to ADHE (Program 1, Goal 1, Objective 1). Concern about security of student information as well as the information technology network and servers might result in the agency exceeding the percentage of its budget spent for information technology. (Program 1, Goal 1, Objective 2).

4. Provide comments on the usefulness and reliability of performance measures.

The use of performance measures has assisted the staff in focusing upon the activities directly related to the mission of ADHE. The long-term benefits will be realized as the strategic plan evolves over time. The performance measures for student financial aid are as accurate as possible, given the changes that have occurred in the awarding of scholarships mentioned in #2.

5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).

Non-Applicable

Program 1: Higher Education Coordination

Goal 1: Coordinate higher education in Arkansas and promote quality in all aspects of higher education.

Objective 1: Promote creative, efficient, and effective leadership and management of higher education.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of university, community college, and technical college new program proposals, organizational structure changes, and proposals to establish new institutions reviewed	110	57	
2	Number of prior year audit findings repeated in subsequent audit.	0	0	

Comments on performance matters related to Objective 1:

Program 1: Higher Education Coordination

Goal 1: Coordinate higher education in Arkansas and promote quality in all aspects of higher education.

Objective 2: Provide relevant, timely quantitative and qualitative analyses of higher education data to the Governor, legislature, institutions of higher education, the U.S. Department of Education, the general public, and other interested constituencies.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of agency in-house data systems maintained by agency staff or maintained through contractual services.	2	2	
2	Agency information technology budget as a percent of the Higher Education Coordination program budget.	8%	3%	
3	Number of data files that are collected, organized, validated and electronically stored through the Student Information System (SIS).	600	257	
4	Number of annual reports presented to the Arkansas Higher Education Coordinating Board related to college enrollments, remediation rates, retention and graduation rates as a function of gender and ethnicity, and program productivity.	6	3	

Comments on performance matters related to Objective 2:

Program 1: Higher Education Coordination

Goal 1: Coordinate higher education in Arkansas and promote quality in all aspects of higher education.

Objective 3: Provide a funding recommendation for public higher education to the Governor and Legislature.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	A funding methodology and recommendation for operating/capital budgets that considers higher education needs and has been approved by the Arkansas Higher Education Coordinating Board (AHECB).	\$623.6 Million/ 185 Million	\$623.6 Million/ 185 Million	The target represents the AHECB biennial recommendations for the operating and capital needs of the institutions of higher education.

Comments on performance matters related to Objective 3:

Program 2: Student Financial Aid

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 1: Coordinate needs-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Needs-based</u>	13,289	12,609	Restoration of the Academic Challenge Scholarships came too late for many students. Many students dropped out of core courses during high school.
2	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Merit-based</u>	837	837	
3	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Special</u>	1,104	1,104	
4	Number of reports that provide: -10-year comparison of the number of Arkansas high school graduates who complete the college core curriculum. -10-year comparison of the college-going rate in Arkansas. -10-year comparison of the number of Arkansas students who scored 32 or higher on the ACT and attended college in Arkansas. -Retention and graduation rates of needs-based, merit-based, and special scholarships recipients.	1	0	The report will be presented to the Arkansas Higher Education Coordinating Board at the April 2004 meeting.

Program 2: Student Financial Aid (CONTINUED)

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 1: Coordinate needs-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
4 (Cont'd.)	Number of reports that provide: -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of minority college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas in the critical need areas of mathematics, science, foreign language, special education, and any other subject areas defined as such in the future by ADE. -Analyses and recommendations regarding improvements for scholarship programs created by statute.	1	0	The report will be presented to the Arkansas Higher Education Coordinating Board at the April 2004 meeting.

Comments on performance matters related to Objective 1:

The performance indicators for Objectives 1, 2, and 3 for this program are identical. The indicators are repeated since the details of each objective for this program must be reported separately.

Program 2: Student Financial Aid

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 2: Coordinate merit-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Needs-based</u>	13,289	12,609	
2	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Merit-based</u>	837	837	See below
3	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Special</u>	1,104	1,104	
4	Number of reports that provide: -10-year comparison of the number of Arkansas high school graduates who complete the college core curriculum. -10-year comparison of the college-going rate in Arkansas. -10-year comparison of the number of Arkansas students who scored 32 or higher on the ACT and attended college in Arkansas. -Retention and graduation rates of needs-based, merit-based, and special scholarships recipients.	1	0	The report will be presented to the Arkansas Higher Education Coordinating Board at the April 2004 meeting.

Program 2: Student Financial Aid (CONTINUED)

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 2: Coordinate merit-based student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
4 (Cont'd.)	Number of reports that provide: -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of minority college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas in the critical need areas of mathematics, science, foreign language, special education, and any other subject areas defined as such in the future by ADE. -Analyses and recommendations regarding improvements for scholarship programs created by statute.	1	0	The report will be made to the Arkansas Higher Education Coordinating Board at the April 2004 meeting.

Comments on performance matters related to Objective 2:

In regards to Measure 2 associated with merit-based awards, high school students who graduated in 2002 are still being placed into the Governor's Distinguished Program and some colleges have not returned the Fall, 2003 reports. Actual target may exceed annual target due to the fact that some student reports will not be received for review by ADHE until after December 31, 2003.

Program 2: Student Financial Aid

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 3: Coordinate special student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Needs-based</u>	13,289	12,609	
2	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Merit-based</u>	837	837	
3	Number of scholarships, grants, and loans awarded to individual students by type of financial assistance: <u>Special</u>	1,104	1,104	
4	Number of reports that provide: -10-year comparison of the number of Arkansas high school graduates who complete the college core curriculum. -10-year comparison of the college-going rate in Arkansas. -10-year comparison of the number of Arkansas students who scored 32 or higher on the ACT and attended college in Arkansas. -Retention and graduation rates of needs-based, merit-based, and special scholarships recipients.	1	0	The report will be presented to the Arkansas Higher Education Coordinating Board at the April 2004 meeting.

Program 2: Student Financial Aid (CONTINUED)

Goal 1: Provide Arkansas residents financial assistance to enable them to attend an Arkansas higher education institution.

Objective 3: Coordinate special student financial aid programs and make higher education accessible for those who seek and qualify for admission.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
4 (Cont'd.)	Number of reports that provide: -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of minority college graduates attending Arkansas colleges who were licensed to teach in Arkansas. -10-year comparison of the number of college graduates attending Arkansas colleges who were licensed to teach in Arkansas in the critical need areas of mathematics, science, foreign language, special education, and any other subject areas defined as such in the future by ADE. -Analyses and recommendations regarding improvements for scholarship programs created by statute.	1	0	The report will be presented to the Arkansas Higher Education Coordinating Board at the April 2004 meeting.

Comments on performance matters related to Objective 3:

Program 3: Health Professions Financial Assistance

Goal 1: Provide Arkansas residents financial assistance to enable them to attend health professional schools in other states in cases when Arkansas does not provide the training.

Objective 1: Coordinate the Arkansas Higher Education Grant (ARHEG) Program, a financial assistance program for students pursuing professional programs in certain healthcare fields that can only be obtained at out-of-state institutions through the Southern Regional Education Board (SREB) Regional Contract Program and direct contracts between participating institutions and the Arkansas Department of Higher Education.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of students, pursuing professional programs in certain healthcare fields that are not available in Arkansas, who receive assistance through the SREB Contract Program and direct contracts between participating institutions and the Department of Higher Education.	260	261	
2	Number of annual reports presented to the Arkansas Higher Education Coordinating Board that show the number of students receiving ARHEG assistance, retention and graduation rates of ARHEG students, and the percentage of program graduates licensed to practice in Arkansas upon graduation, noting those pursuing further training.	1	1	This report was presented and reviewed by the AHECB at the October 2003 Quarterly meeting.

Comments on performance matters related to Objective 1:

Program 4: Institutional Grants

Goal 1: Provide Arkansas institutions federal grant money that will assist them in serving special populations and providing special program support.

Objective 1: Coordinate and administer statewide federal programs designed to be awarded to institutions including the Carl D. Perkins Vocational and Technical Education Amendments of 1998 grant, the Arkansas Teacher Quality Enhancement Program, the Youth Opportunities Unlimited (YOU) enrichment program, and the Dwight D. Eisenhower Professional Development Program.

<u>Measure Number</u>	<u>Performance Indicators</u>	<u>Annual Target</u>	<u>Actual YTD</u>	<u>Comments</u>
1	Number of students and teachers supported by federal financial assistance programs awarded to institutions.	22,740	1,195	

Comments on performance matters related to Objective 1:

For Measure 1, the number represents teachers who have received professional development through higher education No Child Left Behind funds and students served by the Youth Opportunities Unlimited (YOU) Program. The number in the Annual Target also includes teachers as well as students eligible to participate in Perkins funded programs at higher education institutions. The majority of the teachers and students associated with these programs are not reported by the institutions to ADHE until the end of the fiscal year.